

U.S. ASSISTANCE PROGRAMS IN EUROPE
Subcommittee on Europe and Emerging Threats
Opening Statement of Rep. Elton Gallegly
September 14, 2005

Since the last congressional hearing to evaluate the progress of the Support for East European Democracy or SEED Act and the Freedom Support Act programs was held well over two years ago, I think it is appropriate that we hold this hearing today to review the current status of these programs and others that are providing aid to Europe.

The SEED Act was established in 1989, while the creation of the FSA, which followed shortly thereafter, became the foundations for U.S. assistance to Eastern Europe, the Baltic States and the Caucasus region. These programs signified our commitment to support the transition of former Communist nations to democracies after the collapse of the Iron Curtain.

The SEED and FSA programs were created to promote the foreign policy and security of the United States by enhancing democratic governance, economic development, and internal and external security in target nations. The President's FY 2006 budget for SEED and FSA totals \$864 million. Other programs that are included within the Economic Support Fund, allocate assistance to Cyprus, Northern Ireland and the Republic of Ireland, and Turkey. The President's budget request for these programs was \$42 million.

In its 16th year of operation, the top priority of SEED continues to be programs that increase civil security, effective governance, and private sector-led economic growth in Eastern Europe, including the Balkans. Already, the SEED program has a strong track record of success:

- Eight of the original fifteen countries (The Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, and Slovenia) have "graduated" from the program and are no longer receiving U.S. aid.
- Three more countries (Bulgaria, Croatia and Romania) are predicted to graduate in 2007;
- Eight recipient countries (Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia) joined the North Atlantic Treaty Organization (NATO) in March of 2004; and

- Eight recipient countries (the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, and Slovenia) joined the European Union in 2004 with Bulgaria and Romania expected to join in 2007.

While this should be a time to commend the accomplishments of the SEED program, it is also a time to question whether this program continues to fulfill its mission.

Similarly, in 1991, the thrust of the debate between Congress and the Administration was whether and how to assist the former Soviet Union as it became increasingly unstable and appeared headed toward dissolution. Our chief concerns then, and which remains today, was our concern about the large nuclear, chemical and biological weapons arsenal in Russia and other former Soviet states. Congress responded with the Nunn-Lugar legislation in 1991 and then in 1992, with the Freedom Support Act.

The FSA continues the U.S. commitment to Eurasia's integration into the Euro-Atlantic community, and today, assists these front-line states in the war against terrorism.

U.S. assistance to Europe remains important and I am pleased with the achievements that are being made through these programs. They continue to help build stable democratic governments and free market economies, and support non-proliferation activity. Nevertheless, progress in some countries has been uneven. It is our oversight responsibility to question the effectiveness of these programs and determine if revisions should be made.

Today, we are fortunate to have two witnesses who have direct responsibility for U.S. assistance in these areas of Europe. Gentlemen, during this hearing we expect to receive your assessments of the current status of the programs, their continued appropriateness, and the overall objectives of the assistance. These programs have helped the U.S. achieve numerous political, economic and security objectives in Central and Eastern Europe. However, we must ensure that any future expenditures, which are paid by U.S. taxpayers, are effective and further long-term U.S. foreign policy and security interests.

I look forward to the testimony of the witnesses.